



# Department of Justice



## ENVIRONMENTAL PROTECTION AGENCY

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### **EARTHGRAINS TO PAY \$5.25 MILLION PENALTY AND PHASE OUT REFRIGERANTS THAT DAMAGE OZONE LAYER**

WASHINGTON, D.C. - The Department of Justice and the Environmental Protection Agency today announced a settlement that resolves significant ozone-depletion violations that occurred in the United States. With this settlement, the United States has taken a major step in protecting the ozone layer worldwide by eliminating from the earth's atmosphere harmful refrigerants, such as chlorofluorocarbons (CFCs) that leak from industrial appliances and have been a major cause of the depletion of the earth's ozone layer in recent years. The ozone layer protects humans and animals from damaging ultraviolet (UV) rays. Excessive exposure to UV radiation can cause cataracts, skin cancer, and other ailments.

The lodging of the consent decree settles violations of Title VI of the Clean Air Act by Earthgrains Baking Companies, Metz Baking Company, Earthgrains Refrigerated Dough Products, L.P., and Coopersmith, Inc. (collectively Earthgrains). Sara Lee Corporation purchased these companies, which were incorporated into the Sara Lee Bakery Group, during the government's investigation. At the time of the purchase, Earthgrains was the second largest bakery company in the nation.

The settlement requires Earthgrains to pay a \$5.25 million civil penalty for having committed the largest ever corporate-wide violations of stratospheric ozone protection regulations. In addition, Earthgrains must convert all of its industrial process refrigeration appliances to refrigerant systems that do not deplete the ozone layer. EPA estimates that the injunctive relief will cost in excess of \$5 million dollars.

The United States' complaint alleges that Earthgrains' large industrial process appliances at 57 of its 67 facilities leaked refrigerants in excess of the 35% annualized leak rate permitted by the relevant regulation, and that Earthgrains failed to make prompt, proper repairs. More than 300 large refrigerant-containing appliances, several containing 1000 pounds or more of refrigerant each, were involved in the investigation.

"This case addresses pollution that has a global impact and displays the Department's aggressive pursuit of those who commit illegal acts that degrade the ozone layer," said Assistant Attorney General Thomas L. Sansonetti. "This settlement demonstrates our unwavering commitment to hold accountable polluters who gain a competitive advantage when they shirk their responsibility to comply with laws that protect public health."

“Such systematic, corporate-wide violations of the Clean Air Act pose serious threats to both human health and the environment and will not be tolerated,” said EPA’s John Peter Suarez, the Assistant Administrator for Enforcement and Compliance Assurance. “This settlement is evidence to the fact that such widespread patterns of illegal conduct that degrade the ozone layer will be met with vigorous enforcement by the United States.”

This case follows other precedent-setting settlements with violators of the stratospheric ozone protection provisions of the Clean Air Act, and is the second corporate-wide case against an industrial baker. In the fall of 2000, Meyer’s Bakeries, Inc. settled its corporate-wide violations by paying a civil penalty of \$3.5 million and converting all its appliances to non-ozone-depleting refrigerants. In the summer of 2001, Air Liquide, a producer of industrial gases, settled its corporate-wide violations of these leak detection and repair requirements by paying a \$4.5 million penalty and spending \$500,000 on environmentally beneficial projects, in addition to converting its refrigerant systems to non-ozone-depleting systems.

Facility locations covered under this settlement:

**EPA Region 3** – Huntington, WV

**EPA Region 4** – Forest Park, GA, Fort Payne, AL, Chattanooga, TN, Rome, GA, London, KY, Valdese, NC, Owensboro, KY, Dothan, AL, Knoxville, TN, Memphis, TN, Birmingham, AL, Nashville, TN, Huntsville, AL, Atlanta, GA, Louisville, KY, Mobile, AL, Meridian, MS, Orangeburg, SC

**EPA Region 5** – Chicago, IL, Rockford, IL, Rock Island, IL, Roseville, MN, Fergus Falls, MN, Eau Claire, WI, La Crosse, WI, Milwaukee, WI, Marquette, MI, Madison, WI, Detroit, MI, Grand Rapids, MI

**EPA Region 6** – Oklahoma City, OK, Carrollton, TX, El Paso, TX, Houston, TX, Lubbock, TX, San Antonio, TX, Dallas, TX, Harlingen, TX, Paris, TX, Albuquerque, NM, Albuquerque, NM (Bagel Baking)

**EPA Region 7** – Hutchinson, KS, Des Moines, IA, Dubuque, IA, Sioux City, IA, Wichita, KS, St. Louis, MO, Kansas City, MO, Springfield, MO, Beatrice, NE, Bellevue, NE, Hastings, NE, South Sioux City, NE

**EPA Region 8** – Sioux Falls, SD, Watertown, SD, Salt Lake City, UT, Denver, CO, Grand Junction, CO

**EPA Region 9** – Sacramento, CA, Fresno, CA, Oakland, CA, Phoenix, AZ, Stockton, CA, Tucson, AZ, Redding, CA, and San Louis Obispo, CA